

## Message Text

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61/43

ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

EB-11 INR-10 NSAE-00 RSC-01 FAA-00 OIC-04 SS-20 DRC-01

AF-10 ARA-16 EA-11 NEA-10 /143 W

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P 201529Z FEB 74

FM AMCONSUL MONTREAL

TO SECSTATE WASHDC PRIORITY 4408

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C O R R E C T E D C O P Y - TEXT - DELETION LAST LINE PARA NBRED  
SEVEN

FROM USREP ICAO

E. O. 11652: N/A

TAGS: ETRN, CA

SUBJ: ICAO - HEADQUARTERS PREMISES (C-WP/5941)

REF: C-WP/5832

1. C-WP/5941 AIRMAILED FEB 19 WILL COME UP FOR DISCUSSION AT COUNCIL MEETING SCHEDULED FOR MARCH 1. QUOTED BELOW ARE SUBSTANTIVE AND OPERATIVE PARAS OF WORKING PAPER. QUOTE: SPACE REQUIREMENTS (SUBMITTED BY THE SECRETARY GENERAL) OBJECTIVE - THE PURPOSE OF THIS PAPER IS TO SEEK COUNCIL'S AGREEMENT TO INCREASE THE SPACE TO BE LEASED IN THE NEW HEADQUARTERS BUILDING NOW UNDER COURSE OF ERECTION, AND COUNCIL'S DECISION REGARDING ALLOCATION OF SPACE TO NATIONAL DELEGATIONS. THE MATTER HAS NOT BEEN BROUGHT TO THE ATTENTION OF THE COUNCIL EARLIER BECAUSE OF THE DESIRABILITY OF PRIOR CONSULTATIONS WITH THE CANADIAN ADMINISTRATION, SAVE FOR THE REFERENCE CONTAINED IN THE BUDGET ESTIMATES (C-WP/5832, PAGE 20, NOTE 1(B)) AND, INDIRECTLY IN FIN-WP/457 AND ADDENDUM.

REASSESSMENT OF SPACE REQUIREMENTS

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6. A DETAILED STUDY HAS BEEN MADE ON HOW BEST TO FIT THE ORGANIZATION INCLUDING NATIONAL DELEGATIONS, SECRETARIAT, AND ANCILLARY SERVICES INTO THE TOPOGRAPHY OF THE NEW BUILDING. THE STUDY HAS REVEALED THE IMPOSSIBILITY OF FITTING THE NATIONAL DELEGATIONS AND SECRETARIAT INTO THE BUILDING WITHOUT EXCEEDING THE TOTAL FIGURE OF 200,000 SQUARE FEET OF RENTABLE SPACE, AND THAT SOME 20,400 MORE SQUARE FEET OF RENTABLE SPACE ARE NECESSARY. THE CONFERENCE AREA, BASEMENT, LOBBY AND TOWER BASE SUBTRACTED FROM A TOTAL OF 200,000 SQUARE FEET LEAVES SLIGHTLY LESS THAN 100,000 SQUARE FEET FOR OFFICE SPACE FOR NATIONAL DELEGATIONS AND SECRETARIAT. THIS MEANS, IN TERMS OF FLOORS, 8 COMPLETE TOWER FLOORS PLUS 3600 SQUARE FEET ON ANOTHER FLOOR. ON THE OTHER HAND, THE MINIMUM SPACE REQUIRED TO ACCOMMODATE THE SECRETARIAT AND NATIONAL DELEGATIONS IS THE EQUIVALENT OF 10 COMPLETE OFFICE FLOORS IN THE TOWER BUILDING.

7. THE ABOVE CALCULATIONS HAVE BEEN ARRIVED AT ON THE BASIS OF THE MOST SPARING USE OF SPACE FOR SECRETARIAT OFFICES. IN FACT, IN THE OPINION OF MY TECHNICAL ADVISERS, EVEN THIS AMOUNT IS INADEQUATE AND ONE MORE COMPLETE OFFICE FLOOR SHOULD BE PROVIDED FOR THE SECRETARIAT. I BELIEVE, NEVERTHELESS, THAT ALBEIT, WITH SOME INCONVENIENCE, THE ORGANIZATION COULD OPERATE WITH A TOTAL OF 10 OFFICE FLOOR OF OFFICE SPACE AT LEAST UNTIL THE NEXT OPPORTUNITY ARISES (5 YEARS AFTER OCCUPANCY) FOR REVIEWING THE ORGANIZATION'S REQUIREMENTS. ON THE OTHER HAND, IT IS MY CONSIDERED OPINION THAT THE ORGANIZATION CANNOT FUNCTION IN LESS SPACE.

#### OBTENTION OF ADDITIONAL SPACE

11. NORMALLY, AN ADDITION TO RENTAL OF AN AMOUNT THAT, WHILE NOT INTRINSICALLY LARGE, REPRESENTS A SIGNIFICANT RELATIVE INCREASE OVER THE RENT NOW PAID WOULD BE SUBMITTED TO THE ASSEMBLY FOR APPROVAL. WHILE SUCH A COURSE OF ACTION WOULD NORMALLY PRESENT NO DIFFICULTIES, THERE IS A TIME ELEMENT THAT SERIOUSLY COMPLICATES IT. UNDER THE AGREEMENT OF LEASE, THE ORGANIZATION IS RESPONSIBLE FOR CERTAIN FINISHING COQITU WHICH, AS COUNCIL IS AWARE, ARE ESTIMATED TO COST SOME DOLS 1,100,000. IN ADDITION, CARPETING, INTERPRETATION EQUIPMENT FOR THE NEW CONFERENCE ROOMS, AND FURNITURE (INCLUDING ONLY A SMALL AMOUNT OF ADDITIONAL FURNITURE FOR THE SECRETARIAT INTENDED PRIMARILY TO REDUCE UNCLASSIFIED

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STORAGE SPACE REQUIREMENTS) PLUS A FEW OTHER SMALL ITEMS WILL COST ABOUT DOLS 892,000. IN TOTAL, THEREFORE, ABOUT DOLS 2,000,000. IS BEING SPENT BY THE ORGANIZATION IN CONNECTION WITH THE MOVE. THE AMOUNT TO BE SPENT ON SOME OF THESE ITEMS, IN PARTICULAR ON CARPETING, IS A FUNCTION OF THE TOTAL SPACE OCCUPIED. ON THE OTHER HAND, PURCHASING MUST CONTINUE AND CANNOT WAIT UNTIL OCTOBER WHEN THE ASSEMBLY COULD TAKE A DECISION ON THE SPACE, SINCE THE CARPETING, FOR EXAMPLE, IS A NECESSARY PRELIMINARY TO

THE ERECTION OF PARTITIONS BY THE CONTRACTOR. ANY DELAYS IMPOSED BY THE ORGANIZATION TO THE COMPLETION OF THE BUILDING, WOULD BE TRANSLATED INTO CLAIMS FOR RENTAL OF UNOCCUPIED SPACE. FURTHERMORE, AS I HAVE INDICATED ABOVE, I DO NOT CONSIDER THAT PREMISES RESTRICTED TO A TOTAL OF 200,000 SQUARE FEET WOULD BE USABLE BY THE ORGANIZATION AND, CONSEQUENTLY, IF THE ASSEMBLY WERE TO REJECT AN INCREASE, IT IS MY OPINION THAT A LARGE AMOUNT OF THE DOLS 2,000,000 SET ASIDE WOULD PROVE TO HAVE BEEN WASTED. CONSTRUCTION OF THE BUILDING CONTINUES, AND IT IS NECESSARY TO FURNISH THE DEVELOPER WITH PLANS FOR THE UTILIZATION OF OFFICE SPACE WELL BEFORE THE ASSEMBLY WILL MEET. THE ONLY FLOOR PLANS THAT ARE REALISTIC ARE THOSE BASED ON OCCUPANCY OF 220,000 SQUARE FEET. A FURTHER CONSIDERATION IS THAT THE DEVELOPER HAS BEEN PRESSING FOR SOME TIME FOR INFORMATION ON THE TOTAL SPACE THE ORGANIZATION WISHES TO OCCUPY IN THE TOWER BUILDING. THIS IS UNDERSTANDABLE SINCE, TO MAKE THE BUILDING PROJECT ECONOMICALLY VIABLE FOR HIM, HE MUST TRY TO RENT ALL FLOORS IN THE TOWER AS EARLY AS POSSIBLE. IF A DECISION IS DELAYED BY THE ORGANIZATION UNTIL OCTOBER AND THE EVENTUAL DECISION WAS THAT THE ADDITIONAL SPACE SHOULD BE SECURED, THERE IS NO ASSURANCE THAT IT WOULD THEN BE AVAILABLE.

#### POSSIBLE SOLUTIONS

12. ONE POSSIBILITY WOULD BE FOR THE COUNCIL TO AUTHORIZE THE SECRETARY GENERAL TO SECURE THE NECESSARY ADDITIONAL SPACE ON THE BEST POSSIBLE TERMS. WHILE IT IS TRUE THAT IN A SENSE THIS WOULD BE COMMITTING THE ASSEMBLY, THIS OBLIGATION ON THE ASSEMBLY MAY BE LIMITED. ONE SUCH LIMITATION WOULD LIE IN SECURING THE ADDITIONAL SPACE ON AN INTERIM BASIS FOR ONLY FIVE YEARS FOLLOWING INITIAL OCCUPANCY AS OPPOSED TO THE 30 YEARS TERM FOR THE "BASIC" 200,000 SQUARE FEET. THE AGREEMENT OF LEASE GIVES THE ORGANIZATION AN OPTION EVERY 5 YEARS TO OBTAIN ADDITIONAL

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SPACE IN THE TOWER BUILDING. CONSEQUENTLY, IF THE ASSEMBLY WERE TO DISAPPROVE OF THE ACTION TAKEN OTHER DISPOSITIONS COULD BE TAKEN DURING THE NEXT 5 YEARS TO SEEK SOME OTHER SOLUTION TO THE PROBLEM OF ACCOMMODATING THE ORGANIZATION.  
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ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

EB-11 INR-10 NSAE-00 RSC-01 FAA-00 OIC-04 SS-20 AF-10

ARA-16 EA-11 NEA-10 DRC-01 /143 W

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FM AMCONSUL MONTREAL

TO SECSTATE WASHDCV PRIORITY 4409

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FROM USREP ICAO

12.2 RETAINING ADDITIONAL SPACE FOR 5 YEARS WOULD OBVIOUSLY BE LESS DESIRABLE THAN LEASING IT FOR 30 YEARS BECAUSE IT IS MOST UNLIKELY THAT WHEN IT BECOMES NECESSARY TO RE-NEGOTIATE THE LEASE FOR THE ADDITIONAL SPACE AT THE END OF THE 5-YEAR PERIOD, (I.E. THE END OF 1979) IT WOULD PROBABLY BE NECESSARY, GIVEN PRESENT INFLATIONARY TRENDS, TO PAY AT THAT TIME A MUCH HIGHER RENTAL FIGURE THAN MIGHT BE NEGOTIATED NOW.

12.3 ANOTHER POSSIBILITY LIES IN THE NEGOTIATING AN OPTION WITH THE DEVELOPER FOR THE ADDITIONAL SPACE, THE OPTION TO BE EXERCISED AFTER THE ASSEMBLY HAS DECIDED ON THE ISSUE. THIS SOLUTION, WHILE AT FIRST APPEARANCE ATTRACTIVE, HAS SERIOUS DISADVANTAGES. PERHAPS THE MOST FUNDAMENTAL IS THAT IT IS A FALSE OPTION BECAUSE IN FACT, NO ALTERNATIVE (BEYOND THE VERY UNSATISFACTORY POSSIBILITY MENTIONED BELOW) EXISTS TO SECURING 220,000 SQUARE FEET SINCE THIS REPRESENTS THE MINIMUM SPACE THAT WILL MAKE THE NEW PREMISES USABLE. PLANNING AND EXPENDITURE WOULD, THEREFORE, HAVE TO PROCEED ON THE ASSUMPTION OF ASSEMBLY APPROVAL.

12.4 YET ANOTHER POSSIBILITY WOULD BE TO REMAIN WITH THE 200,000 SQUARE FEET LIMIT IN THE NEW PREMISES. TO DO SO, IT WOULD BE NECESSARY TO DIVIDE THE ORGANIZATION, LEAVING SOME ORGANIZATIONAL UNITS IN THE INTERNATIONAL AVIATION BUILDING. SUCH A SEPARATION WOULD CERTAINLY HINDER THE EFFICIENCY OF THE ORGANIZATION AND

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THUS RUN COUNTER TO THE OBJECTIVE OF THE MOVE TO NEW PREMISES. THE SEPARATION WOULD IN ALL PROBABILITY HAVE TO BE FOR A PERIOD OF ABOUT 5 YEARS, I.E. UNTIL THE NEXT DATE WHEN THE LEASE OPTION FOR ADDITIONAL SPACE COULD BE EXERCISED. IT IS TRUE THAT IN

OCT 1974, THE ASSEMBLY MIGHT DECIDE THAT THE ADDITIONAL SPACE BE SOUGHT, AND IF STILL AVAILABLE, IT MIGHT BE OBTAINED IN 1974, THUS PERHAPS NOT MAKING SUCH A SEPARATION NECESSARY. THERE IS, HOWEVER, NO ASSURANCE THAT THE SPACE WOULD BE AVAILABLE ALTHOUGH IN THE MEANTIMES PLANS FOR PARTITIONS, CARPETING, ETC. WOULD HAVE BEEN MADE AND PARTITIONS ERECTED ON THE BASIS OF ONLY 200,000 SQUARE FEET. DELAYS, DURING WHICH RENT WOULD HAVE TO BE PAID WOULD ALSO ACCRUE BECAUSE OF THE NECESSITY TO SECURE ADDITIONAL CARPETING ETC. BEFORE THE PARTITIONS COULD BE ERECTED. SUCH A SOLUTION WOULD FURTHERMORE DEPEND ON THE WILLINGNESS OF THE CANADIAN GOVT TO MAKE POSSIBLE THE RETENTION OF SOME 20,000 SQUARE FEET IN THE PRESENT BUILDING AND WOULD OF COURSE REQUIRE STILL ADDITIONAL EXPENDITURE ON RENT. THERE IS NO ASSURANCE THAT THE CANADIAN GOVT WOULD AGREE TO PROVIDE THE SPACE AT THE PRESENT SUBSIDIZED RENT OF DOLS 1.00 PER SQUARE FOOT SINCE THIS WOULD INVOLVE INCREASING ITS ANNUAL GRANT OF DOLS 1,100,000 FOR THE SHERBROOKE STREET PREMISES BY THE AMOUNT REQUIRED TO PROVIDE RENTAL AT THE PRESENT RATE IN THE INTERNATIONAL AVIATION BUILDING AS COMPARED WITH THE COMMERCIAL RATES THAT COULD BE OBTAINED FOR THE SPACE.

#### SUMMARY

21. THE ESSENTIAL POINTS THAT EMERGE WITH REGARD TO THE NEW PREMISES MAY BE SUMMARIZED AS FOLLOWS:

21.1 THE ORGANIZATION REQUIRES NOT 200,000 BUT 220,400 SQ. FT. IN THE NEW PREMISES. FOR THE REASONS EXPLAINED IN THE PAPER, IT IS ESSENTIAL THAT A DECISION BE NOW TAKEN TO SECURE THE ADDITIONAL SPACE SINCE THE MATTER IS PRESSING.

21.2 OF THE POSSIBLE WAYS EXAMINED IN THE PAPER OF SECURING THIS ADDITIONAL SPACE, I CONSIDER THAT THAT MENTIONED UNDER PARAGRAPH 12.2 (LEASING THE ADDITIONAL SPACE FOR 30 YEARS) WOULD BE THE BEST ONE IN THE INTERESTS OF THE ORGANIZATION.

21.3 MORE PRECISE ESTIMATES OF THE BUDGETARY CONSEQUENCES OF UNCLASSIFIED

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SECURING THIS ADDITIONAL SPACE CAN ONLY BE ESTABLISHED INTER ALIA ONCE THE COUNCIL HAS DECIDED ON THE METHOD OF ALLOCATION OF SPACE TO NATIONAL DELEGATIONS AND EACH NATIONAL DELEGATION ESTABLISHES ITS REQUIREMENTS IN THE LIGHT OF THAT DECISION. THESE DECISIONS ARE ALSO REQUIRED AS A MATTER OF URGENCY SINCE THE PRECISE SUB-DIVISION OF SPACE MUST BE MADE KNOWN NOW TO THE DEVELOPER.

ACTION BY COUNCIL

22. IT IS SUGGESTED THAT THE COUNCIL:

A) AGREE THAT ACTION BE TAKEN TO SECURE A TOTAL OF 220,400 SQ. FT (SUBJECT TO ANY NECESSARY ADJUSTMENT ON ACTUAL MEASUREMENT) IN THE NEW PREMISES BUILDING AND AUTHORIZE THE SECRETARY GENERAL TO ENTER INTO A SUPPLEMENTARY AGREEMENT WITH THE DEVELOPER FOR THIS SPACE FOR A PERIOD CO-TERMINAL WITH THE LEASE, I.E. 30 YEARS, ON THE BEST POSSIBLE TERMS, AND WITH THE AGREEMENT OF THE CANADIAN GOVERNMENT TO EXTEND ITS GUARANTEE TO THIS SUPPLEMENTARY AGREEMENT;

B) DECIDE ON THE METHOD TO BE USED IN ALLOCATING SUBSIDIZED SPACE TO NATIONAL DELEGATIONS;

C) INSTRUCT THE SECRETARY GENERAL TO CONSULT WITH NATIONAL DELEGATIONS WITH A VIEW TO ESTABLISHING AT THE EARLIEST POSSIBLE DATE A DETAILED PLAN FOR SPACE ALLOCATION FOR NATIONAL DELEGATIONS;

D) INSTRUCT THE SECRETARY GENERAL TO PURSUE CONSULTATIONS AS NECESSARY WITH THE CANADIAN GOVERNMENT, INCLUDING THE QUESTION OF THE GUARANTEE MENTIONED IN A); AND

E) INSTRUCT THE SEC GEN TO PRESENT TO COUNCIL THE NECESSARY ASSEMBLY DOCUMENTATION CONSEQUENTIAL UPON A), B), C) AND D) ABOVE. END QUOTE. FYI ESTIMATED COSTS FOR 220,400 SQUARE FT WOULD RUN TO DOLS 305,000 TO DOLS 325,000.  
HARPER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, MEETING DELEGATIONS, BUILDINGS & GROUNDS, FIVE YEAR PLAN  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MONTRE00214  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION IO  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** C-WP/5832  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** shawdg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 FEB 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 FEB 2002 by elbezefj>; APPROVED <02 DEC 2002 by shawdg>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ICAO - HEADQUARTERS PREMISES (C-WP/5941)  
**TAGS:** ETRN, CA, ICAO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005